

***Full Cost Decision Memorandum: Civil Service Requirement Changes (WF-09)***

***Issue:***

How are civil service requirement changes managed?

***Source / reference:***

LaRC Full Cost Implementation Team  
LaRC Office of the Chief Financial Officer (OCFO)

***Background:***

Agency policy requires a termination liability of two years to cover institutional costs when major Agency projects are terminated. In that regard, if a major LaRC project is terminated, the Agency policy should be applied. However, if the Agency does not determine a project termination to be major, the Center will have to fund the associated institutional costs of the project.

***Options:***

1. Develop a policy for maintaining reserves on non-major project or program activity to ensure civil service workforce is paid for the remainder of the fiscal year when the termination occurs.
2. Continue to fund unfunded workforce in the Investment Account realizing that the possibility of additional G&A costs may include termination costs of workforce.

***Decision:***

Option 1. All Agency projects should have a financial reserve and/or a de-scope plan to deal with unanticipated activities. In the case of workforce changes, managers should attempt to re-deploy any civil service workforce no longer required by a given program/project. However, if after the final revision of the plans prior to entering the year, the organization is unable to re-deploy civil service personnel; the project is responsible for funding all associated costs of the impacted personnel for the remainder of the fiscal year. Waivers to the workforce termination liability will be considered on a case-by-case basis for projects that have received major re-scope or de-scope changes during the year of execution. In that regard, the OCFO and Center management must approve any waivers to the termination liability. In such cases, the workforce and associated costs will be removed from the impacted project. In such cases, the process for dealing with underutilized workforce will be applied and the personnel will be funded in the Center investment account (see WF-8 for additional guidance)

***Approved by LaRC CFO (Ken Winter) 3/29/04***

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